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CREATING A SELECT COMMITTEE ON CONSUMER INTERESTS

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Mr. GILLETTE, from the Committee on Rules and Administration, submitted the following

REPORT

[To accompany S. Res. 169]

The Committee on Rules and Administration, to whom was referred the resolution (S. Res. 169) creating a Select Committee on Consumer Interests, having considered the same, report favorably thereon with amendments and recommend that the resolution, as amended, be agreed to by the Senate.

GENERAL PURPOSES

Senate Resolution 169 creates a Select Committee of 13 Senators to study and survey all problems affecting consumer interests in the present national emergency, giving special attention to prices charged the ultimate consumer for food, fuel, and clothing, and to costs and methods of producing and distributing these and other consumer goods.

COMMITTEE ACTION

The resolution (S. Res. 169) was referred to the Committee on Rules and Administration on July 6, 1951. The Subcommittee on Rules, to which the resolution was then referred for consideration, held two public hearings on the proposal, on March 22 and April 18, 1952. On June 25, 1952, meeting in executive session, the Rules Committee, after making minor perfecting amendments, agreed to report the amended resolution favorably to the Senate.

During the committee's consideration of Senate Resolution 169, a large number of national organizations presented testimony verbally or by written statement in favor of the proposal. Among the organizations which indicated their support and endorsement of the resolution were the following:

American Association of University Women
 American Federation of Labor
 American Home Economics Association
 Congress of Industrial Organizations
 Consumers Cooperative Association
 Consumers Union of the United States
 Cooperative League of the United States of America
 General Federation of Women's Clubs
 National Association of Consumers
 National Education Association of the United States
 National Farmers Union
 National Federation of Settlements
 National Grange
 Young Women's Christian Association of the U. S. A.

The Committee on Rules and Administration amended the resolution (S. Res. 169) in the following manner:

On page 1, line 4, after the word "Senate", the words "of whom not more than seven shall be of the same political party" were inserted. The purpose of this amendment was to keep the committee as much on a nonpartisan basis as possible.

The second amendment occurs on page 2, line 8, which inserts the word "ultimate" before the word "consumer" in order to make this committee give special attention to the ultimate buyer of all goods produced and processed for the American market.

The third amendment, on page 2, line 13, strikes out the word "Congress" and inserts the words "and succeeding Congresses" in order that this select committee shall be a continuing committee.

The fourth amendment, occurring on page 3, line 6, inserts the amount of \$158,800 to carry on the initial expenses of the select committee for which a budget has been submitted to the Committee on Rules and Administration.

NEED FOR COMMITTEE ON CONSUMER INTERESTS

Today there is scarcely an action taken by Congress affecting trade and commerce (foreign or domestic), industry, agriculture, and labor which does not also affect consumers. The consumer interest in an economic situation is exactly equal to the producer interest. They are the two sides of the same economic coin. For example, the prices an individual farmer has to pay for the consumers' goods he needs to live and to operate his farm are one of the two essentials in determining whether he can make ends meet—the other essential being, of course, the prices he receives for his farm produce.

Yet, in the legislative process, the consumer aspect of economic questions, if not wholly ignored, is always drastically subordinated to the producer aspect.

Broadly speaking, consumer interests are those of the entire citizenship of the country. Every citizen, as the ultimate buyer of goods and services, is a consumer. But it is in their capacity as producers that citizens most generally organize themselves for action in the economic field.

In hearings of congressional committees, citizens most often appear in their role as producers, as representatives of one or another producer group, or as distributors of commodities. Rarely, when legislation affecting one or more producer groups is under consideration, are more than a few weak and scattered voices heard speaking in behalf of the interests of the great consuming public.

Witnesses at the hearings on Senate Resolution 169 brought out forcefully the reasons for this..

Producing interests are highly organized and concentrated, while consuming interests are diffused and hence unorganized.

Manufacturers, distributors, wholesalers, retailers, workers, lawyers, doctors and farmers all have well-identified and powerful organizations capable of exerting pressure for or against legislation which affects their particular interests.

As an organized movement, consumer protection is still in its infancy. Consumer buyers are isolated individuals who, alone, have relatively little economic power.

It was pointed out that business groups can afford to be represented before congressional committees by economists and experts whose job it is to prepare and present the viewpoint of a particular industry. These producer groups can afford to bring people to Washington to testify, to interpret and to urge their viewpoint on the various committees and individual members of Congress.

On the other hand, voluntary organizations speaking for consumers are usually supported by small dues and contributions. The economists whom the consumer groups may be able to call on for help most often volunteer their time to prepare testimony and present it.

Because enactment of a certain measure may be of great financial advantage to a particular group of producers, that group can well afford to spend a fraction of the sum at stake to influence the legislation favorably to their interest. At the same time, although the loss to the consumers of America as a whole may be larger than the gain to the particular producer group, each individual consumer ordinarily will suffer little loss himself from a given decision. Since each family is affected only to a slight degree by such a measure, it is hardly worth its time and energy to acquaint itself with the issue. Furthermore, it is obviously impossible for the average family to inform itself on all the vast variety of issues that arise.

The result is that the consumer interest, being diffused, frequently is defeated in a contest with producer interests.

It is a question whether the Congress can effectively and adequately perform its duties and give representation to the general interest of the American people so long as the power and influence of producer groups in the legislative process outweigh to such a tremendous extent the power and influence of the consumers.

All producer groups, financial groups, commercial groups, big and small business, agricultural groups and labor organizations are fully represented through existing congressional committees. Their problems can be and are considered day after day, week after week, in each session of Congress. Their voices are heard at committee and subcommittee hearings.

On the other hand, there is no congressional body specifically dealing with the interests of the consumers, who are all of the citizens. There is no effective means by which a citizen speaking as a consumer can make his voice heard in debates on national policy which relate to inflation, the cost of living, and other matters vital to consumers. The individual consumer has no place to go when he has a grievance or needs redress.

Millions of older citizens dependent on pensions or insurance or small incomes, veterans living on pensions, families of men in the armed services, the great mass of unorganized workers and lower-bracket salaried employees—probably the majority of our citizens—face the impossible task of reconciling fixed low incomes and increasingly high prices. As consumers, these millions of people—as well as all citizens—are entitled to adequate protection and representation by the Congress.

A major defect in the present legislative structure is the lack of an effective agency in Congress through which the views and needs of millions upon millions of housewives, householders and other consumers can be made known and thus be given their proper weight in the consideration of legislation by standing committees and by Congress as a whole.

Under Senate rule XXV which defines the jurisdiction of standing committees, the word “consumer” is not even mentioned. No committee is charged specifically with consideration of the consumer aspect of economic problems or the consumer interest in legislative proposals.

No single committee of the Senate has jurisdiction broad enough to cover the many and varied problems of consumers. Consumers’ interests are directly or indirectly affected by the work of each and every standing committee, but the protection of the consumer interest is the primary duty or function of none of the committees. If it is considered at all, it is as a secondary and derivative factor.

With respect to the argument that the protection of the consumer’s interest should be the responsibility of a subcommittee of one of the existing committees, it is contended that such a procedure would be wholly ineffective, inefficient and impractical. To solve the problem of consumer representation through the subcommittee approach would require the formation of consumer committees in each of the 15 standing committees.

The committee believes there is need for a congressional body dedicated to protection of the unorganized, voiceless consumer, as a “watchdog” for his interests, bringing into clear focus the consumer problem in all its manifold aspects and acting as a fact-finding agency, a clearing house and a forum for consumer complaints, needs and views.

In recommending approval of Senate Resolution 169, the committee has taken cognizance of this present defect in the congressional structure. Creation of a Select Committee on Consumer Interests would be desirable from the viewpoint both of more effective operation of the Senate and of improved senatorial service to the American people.

FUNCTION OF THE COMMITTEE ON CONSUMER INTERESTS

The Consumer Committee is authorized to conduct research and investigation and otherwise to gather facts concerning all aspects of the consumer problem, both in the general public interest and for the purpose of aiding Congress in enacting remedial legislation.

The Consumer Committee’s responsibility is to watch over the consumer aspect of all legislation before the Senate and to safeguard the consumer’s interest in all legislative and governmental matters.

The Consumer Committee will have no legislative powers or jurisdiction. No proposed legislation can be referred to it and it has no

power to report by bill. It is therefore to be a fact-finding committee with duties in the field of consumer problems comparable with those of the Select Committee on Small Business in its field.

It should be noted that, since the resolution does not give any legislative power to the proposed committee, there is no possibility that the committee will either detract from the importance and functions of the standing committees or overlap their respective jurisdictions. That is not its purpose, nor will it have that effect.

The task of the Consumer Committee is rather to supplement the work of the standing committees by examining an aspect of economic and legislative problems which the standing committees necessarily treat as secondary and subordinate to their primary functions, namely, the consumer aspect. The Consumer Committee will centralize factual data on those many consumer problems which are at present ignored, subordinated, or diffused among the several standing committees.

CONCLUSIONS

The Select Committee on Consumer Interests can be of service to the Senate and to the country in a number of ways.

1. It can reduce the burden on Senators' offices and standing committees by providing for referral of consumers' complaints and inquiries, by answering mail on consumer problems, by furnishing information with which to facilitate handling problems submitted by housewives, pensioners, and other constituents.

2. It can provide facts on the consumer aspect of economic problems, legislation, and Government policy that cannot be provided by other committees because of lack of time, overburdened staff and limited jurisdiction. Upon request from a standing committee, it can conduct special inquiries into the consumer aspect of a given measure, program, or problem.

3. It can provide a hearing for the average consumer, housewife, or householder not representing any organization and not represented by any organization, and give voice to the opinions and questions of the millions of citizens who are never heard in other committees.

4. It can furnish a central point of analysis of data relating to consumer interests—cost of living statistics, merchandise quality, ingredients, proper labeling, price spreads, etc.—to be available to the general public, to standing committees and Senators' offices, and to Government agencies.

5. In general, it can serve as a focus for all the multiple phases of legislation and Government policy which affect each citizen in his capacity as a consumer, and assure that the consumer's interest is adequately represented in the Senate.

The Consumers' Committee's purposes would be to facilitate the work of standing committees and of the Congress as a whole by directing attention to the often-ignored consumer aspect of each economic or legislative problem. Its guiding principle would be to protect the general interest of the great consuming public, with no thought of antagonism toward any segment of the economy but with a sound awareness that, because all citizens are consumers, legislation in the public interest is legislation that balances the consumer's interest with that of the producer.

